(c) whether similar negotiations are also being held with the European Union, Brussels and if so, with what results?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI V. DHANANJAY KUMAR): (a) to (c) The Government has been raising the issue of meaningful integration including enhanced quotas at various fora including at bilateral levels. US and EU have not extended any specific concessions to India so far.

**Removal of export quota For textiles**

1158. SHRI AMAR SINGH: Will the Minister of TEXTILES be pleased to state:

(a) whether Government have finally decided to remove export quota for textiles;

(b) if so, the details thereof;

(c) whether it is a fact that India's textiles industry which is a major source of foreign exchange would face survival threats with the removal of export quota; and

(d) if so, what is Government's reaction in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI V. DHANANJAY KUMAR): (a) and (b) Till December 31, 1994, the exports of textiles to certain developed countries (*e.g.* US; member countries of EU; Canada) has been governed by bilateral textile agreements entered into between India and these countries under the aegis of the Multi-Fibre Arrangement (MFA), outside the rules of the General Agreement on Tariffs and Trade (GATT). With effect from January 1, 1995, the quantitative restrictions (import quotas) in the bilateral agreements under the MFA, are being governed by the Agreement on Textiles and Clothing (ATC) contained in the Final Act of the Uruguay Round negotiations of the GATT. Presently, our textiles and clothing items face restraints in USA, European Union and Canada.

As per ATC, the textile quotas would be phased out and textile sector fully integrated by 1st January, 2005.

(c) and (d) The market access for our products are expected to increase with dismantling of quotas and to that extent the textile industry will have more opportunities to export. The Government has also taken the following steps to make the industry more competitive:—

(i) The Government has de-reserved the woven segment of readymade garment from the SSI sector. It has also announced the de-reservation of knitted segment in the Budget 2002-03.

(ii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of this sector so that it can become more competitive in international trade.

(iii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%.

(iv) With a view to encouraging backward integration, the custom duty on shuttleless looms has been brought to 5%. A programme has also been announced to induct 50,000 shuttleless looms and to modernise 2.5 lakh powerlooms in the decentralised sector by 2004.

(v) Foreign equity participation upto 100% through automatic route has been allowed in the textile sector with certain exceptions.

(vi) Reduction in the cost of machinery through fiscal policy measures announced in the budget 2002-03.

(vii) Technology Mission for Cotton has been launched for initiating focussed steps for boosting production, productivity and quality of cotton for manufacture and export of competitive downstream textile products.

(viii) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.